8SAT – Flow FM Submission to ACMA

Digital Radio Channel Plans 2017 - February 13, 2017

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Background

8SAT Flow FM is the commercial radio license holder for the Remote Central Zone which includes areas across SA, Victoria, New South Wales and the Northern Territory on Service License 10147. We are a member of Commercial Radio Australia. We note that the DAB Prediction Allotment Studies Plans did not include South Australia and Victoria areas however the Brisbane and Sydney 400 km studies indicate some major challenges in planning DAB plus beyond the five key capital cities.

Digital Radio Channel Plans were developed for the five major capital city markets including the adjacent Adelaide and Melbourne markets in 2008. At that time in our submission of 28 November 2008 we expressed concern that Digital Radio Plans were significantly overspilling into 8SAT’s adjacent market and that in the future to maintain license integrity 8SAT would require commensurate overspill back to those markets. A further ten years has transpired and ACMA is now calling for submissions for regional radio areas for DAB plus planning placing 8SAT at a competitive disadvantage.

In November 2016, in a letter to Tony George we highlighted a number of issues regarding Digital Radio planning in regional areas including discussion on our support for Aggregation of Licenses areas in towns on LAP Boundaries or shared LAP coverage including the Adelaide Plan at Angaston and the Melbourne Plan at Warburton.

Discussion

ACMA has formulated a discussion paper on Digital Radio Planning with current interest in the Gold Coast and Darwin plans. While we are not specifically commenting on the planning for these areas, we are concerned at the current planning because clearly smaller broadcasters particularly those adjacent larger cities would be disadvantaged if not considered at the same time as larger centres both in available spectrum, competitive advantage in set up time and if planning is conducted on a population basis which is one of the suggestions that Commercial Radio Australia has proposed in its submission referring to planning down to 5000 people towns meaning most regional towns would will miss out on Digital Radio.

DAB plus and DRM plus

We have long held the view that the approach supported by CRA to develop DAB Plus for Australian markets was the wrong approach as it only had viability for capital and large city markets. Given the sparse nature of rural populations and the multiplicity of towns in each License Area Plan a hybrid
approach using DRM plus should have been considered from the initial stages of the Digital Planning Process and therefore more radio manufacturers would have considered dual receivers. Given developments with Software Defined Radio the once prohibitive nature of planning multiple platforms may be overcome in the future particularly with vehicle manufacturers now all based overseas considering other platforms other than the preferred Australian option of DAB plus as is the case in India. We understand ACMA have future consideration for DRM plus and we would urge ACMA to consider all Regional Planning beyond the largest ten cities to be considered this way per and option in ACMA’s own discussion paper.

**Population and Competition**

We note that Commercial Radio Australia has proposed for towns under 5000 people to not be considered for current DAB planning. This has negative implications in a number of ways.

1. It becomes anti competitive in its nature for licensees with towns under 5000 people
2. It creates ‘getto’ populations where some towns and areas will never receive equal broadcasts services
3. It shows partiality to certain broadcasters and therefore owners of licenses
4. It reduces the viability of some licenses and their future value and increases the value of others.
5. Delaying the smaller town gives the larger adjacent town the ability to target the radio format of the smaller digitally unserviced town with a similar format through multiple stream capacity.

**Aggregation Spectrum Efficiency**

Due to the lack of radio Spectrum, the current planning model for the ABC, the fact that License area plans for Commercial and Community services do not match, Aggregation would solve spectrum efficiency and potential interference, provides greater competition and diversity in the market and should be considered. This matter we would be prepared to discuss further at a meeting with ACMA. Aggregation also removes the unfair advantage that ABC have traditionally had over Commercial Broadcasters with higher power levels and greater coverage from single sites where often Commercial Broadcasters particularly 8SAT have been forced into costly and unsuitable directional patterns.

**8SAT’s Position**

We have read other submissions from roadcast industry but largely concur with Rebel Media that it is critical we are on DAB+ in our larger markets that overlap neighbouring markets operating on DAB+, particularly given the market penetration and high availability of DAB only digital receivers. We propose both Kapunda /Barossa North in SA and Yellingbo / Hoddles Creek / Yarra Ranges for this purpose. In smaller solus markets needing to accommodate only 1 or 2 commercial stations, DRM+ stands out as not only a viable alternative to DAB, but likely a better long term solution at a far lower capital and operational cost that can fully match the existing FM footprint without the need to establish costly ‘DAB only’ repeater sites, or incur the operational overhead costs of a DRMT licensee structure. In some small towns, it may be the only viable choice. Where there is no other commercial competitor on DAB receivable in the market, we can broadcast equitably on DRM+, as listeners wanting
commercial digital radio will need to invest in a DRM+ radio. Should ACMA not consider DRM plus we would also highlight Roxby Downs, Ceduna, Bordertown, Donald, Kingston for initial DAB plus consideration.

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